

IN THE DISTRICT/SUPERIOR COURT FOR THE STATE OF ALASKA
AT ANCHORAGE

UIC GOVERNMENT SERVICES, LLC et al
Plaintiff(s),

vs.

JAMES FLEITZ, et al
Defendant(s).

CASE NO. 3AN-15-10552 CI

SUMMONS AND
NOTICE TO BOTH PARTIES
OF JUDICIAL ASSIGNMENT

To Defendant: JAMES FLEITZ

You are hereby summoned and required to file with the court a written answer to the complaint which accompanies this summons. Your answer must be filed with the court at 825 W. 4th Ave., Anchorage, Alaska 99501 within 20 days* after the day you receive this summons. In addition, a copy of your answer must be sent to the plaintiff's attorney or plaintiff (if unrepresented)

Robert J. Misulich, Esq., whose address is: 601 W. 5th Ave., #700
Anchorage, AK 99501

If you fail to file your answer within the required time, a default judgment may be entered against you for the relief demanded in the complaint.

If you are not represented by an attorney, you must inform the court and all other parties in this case, in writing, of your current mailing address and any future changes to your mailing address and telephone number. You may use court form *Notice of Change of Address / Telephone Number* (TF-955), available at the clerk's office or on the court system's website at www.state.ak.us/courts/forms.htm, to inform the court. - OR - If you have an attorney, the attorney must comply with Alaska R. Civ. P. 5(i).

NOTICE OF JUDICIAL ASSIGNMENT

TO: Plaintiff and Defendant

You are hereby given notice that:

☒ This case has been assigned to Superior Court Judge Washington
and Master _____.

☐ This case has been assigned to District Court Judge _____.

CLERK OF COURT

10/30/2015
Date



By: K. Carbaugh
Deputy Clerk

I certify that on _____ a copy of this Summons was ☐ mailed ☒ given to

☒ plaintiff ☐ plaintiff's counsel along with a copy of the
☐ Domestic Relations Procedural Order ☐ Civil Pre-Trial Order
to serve on the defendant with the summons.

Deputy Clerk [Signature]

* The State or a state officer or agency named as a defendant has 40 days to file its answer. If you have been served with this summons outside the United States, you also have 40 days to file your answer.

CIV-100 ANCH (10/05)(st.3)
SUMMONS

Civil Rules 4, 5, 12, 42(c), 55

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

UIC GOVERNMENT SERVICES,)
LLC, ARROWDATA, LLC, and)
UKPEAGVIK IÑUPIAT)
CORPORATION,)

Plaintiffs,)

v.)

JAMES FLEITZ, MICHAEL)
FRECHETTE, RONALD FUTRELL,)
KEVIN FALLICO, WILLIAM)
O'DONNELL, JASON DAUB, and)
AVISIGHT, LLC,)

Defendants.)

Case No. 3AN-15-_____ Civil

COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF

PARTIES AND JURISDICTION

1. Plaintiff UIC Government Services, LLC ("UICGS") is an Alaska limited liability company managed by its sole member, Ukpeagvik Iñupiat Corporation, and is in all ways qualified to bring and maintain this action.

2. Plaintiff Arrowdata, LLC ("Arrowdata") is a Nevada limited liability company managed by its sole member, UICGS, and is in all ways qualified to bring and maintain this action.

3. Plaintiff Ukpeagvik Iñupiat Corporation ("UIC") is an Alaska Native village corporation organized and existing pursuant to the Alaska Native Claims Settlement Act, and is in all ways qualified to bring and maintain this action.

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4. Defendant James Fleitz is Arrowdata's former Vice President.

5. Defendant Michael Frechette is a former employee of Arrowdata who served as a Program Manager for the company.

6. Defendant Ronald Futrell is a former employee of Arrowdata who served as a Marketing Specialist for the company.

7. Defendant Kevin Fallico is a former Program Manager for UIC subsidiary Bowhead Business and Technology Solutions, LLC, who worked with and was provided access to intellectual property belonging to Arrowdata.

8. Defendant William O'Donnell is a former employee of Arrowdata who served as a Project Manager for the company.

9. Defendant Jason Daub is a former employee of Arrowdata who served as an Electronics Technician for the company.

10. Defendant Avisight, LLC ("Avisight") is a Nevada limited liability company.

11. Fleitz, Frechette, Futrell, Fallico, O'Donnell, Daub, and Avisight are referred to collectively hereinafter as "co-conspirators."

12. This Court has jurisdiction pursuant to AS 22.10.020 and AS 09.05.015, and venue is proper in this Court.

FACTS

13. This case involves an unlawful conspiracy between former employees of UIC's wholly-owned subsidiary, Arrowdata, to steal the company's confidential and

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proprietary information, trade secrets, and intellectual property to establish a competing enterprise: Avisight.

14. This case also involves the gross mismanagement of Arrowdata by James Fleitz and his co-conspirators, resulting in substantial losses to Arrowdata and its parent companies, UICGS and UIC.

15. In September 2014, Arrowdata was formed by UICGS, which at the time was called "UIC Technical Services, LLC." Defendants James Fleitz ("Fleitz"), Michael Frechette ("Frechette"), Ronald Futrell ("Futrell"), William O'Donnell ("O'Donnell"), and Jason Daub ("Daub") became employees of the company.

16. Defendant Kevin Fallico ("Fallico") was an employee of another UIC subsidiary, Bowhead Business and Technology Solutions, LLC. Fallico worked with, and had access to trade secrets and other files belonging to Arrowdata.

17. Arrowdata's business involves the collection, editing, and distribution of photographs and video footage of commercial properties, public events, and public facilities via aircraft and unmanned aerial vehicles ("UAVs"), commonly known as "drones."

18. UIC and UICGS subsidized Arrowdata with millions of dollars in funding, enabling Arrowdata to acquire physical assets and to hire personnel.

19. Upon information and belief, rather than working to make Arrowdata profitable, Fleitz and his co-conspirators provided free work in exchange for personal kickbacks from clients. Fleitz and his co-conspirators referred to such transactions as "bro deals," "bro rates," or "bro-level contracts."

20. Upon information and belief, Frechette failed to adequately perform his responsibilities of, *inter alia*, overseeing the company's IT system, resulting in the hiring of independent consultants to perform this work at a cost of at least \$90,000.

21. After UIC learned that there were significant problems with the way Vice President James Fleitz was conducting Arrowdata's business affairs, UIC Ethics, Compliance, and Legal Manager Richard Helms began conducting an internal investigation at Arrowdata on or about August 4, 2015. The investigation revealed that Fleitz was operating Arrowdata at a net loss in the hundreds of thousands of dollars each month.

22. Based on this investigation, UIC considered moving oversight of Arrowdata from UICGS to UIC's Commercial Operations division. In an effort to persuade UIC not to move forward with this idea, Fleitz flew to Anchorage on or about August 24, 2015, to meet with UIC's President and CEO and other members of UIC's management team.

23. Upon information and belief, while he was in Anchorage to meet with UIC's management team, Fleitz instructed his co-conspirators to begin downloading Arrowdata's intellectual property and trade secrets onto personal storage devices in anticipation of the co-conspirators' departure from the company.

24. On or about August 24, 2015, Frechette and/or the co-conspirators uncharacteristically plugged at least two external hard drives and approximately 12 separate USB sticks into one of Frechette's company-issued laptops.

25. Fleitz met with UIC President and CEO Anthony Edwardsen and others on the morning of August 25, 2015. In addition to his request to keep oversight of Arrowdata within UICGS, Fleitz sought millions of additional dollars in funding. In a thinly-veiled threat, Fleitz requested that he and others at Arrowdata be placed on contracts for a specific term in order to “lock [the] current [Arrowdata] team in place [to] prevent talent drain [and] future competition.” Fleitz also requested that Mark Brennan, of private equity group Brennan Capital Partners, be hired as a CFO or financial advisor for Arrowdata.

26. UIC declined Fleitz’s requests. In an email to Kevin Fallico later that day, Fleitz stated, “You kill me, I will seriously solve their problem after this morning[’]s meeting in Alaska! You[’re] funny lucky! Hold off on PFC[.]”

27. UIC and UICGS expected Fleitz to attend additional meetings in Alaska that had been scheduled to continue throughout the week. But on the morning of August 26, 2015, Fleitz e-mailed the Senior Vice President of UIC’s Commercial Operations division, asking to be excused from these meetings in order to return to Arrowdata’s offices in Nevada to “address ... imminent training issues” and to “prepare for your visit next week.”

28. On August 26, 2015, the Nevada Governor’s Office of Economic Development notified Fleitz that Arrowdata, the Desert Research Institute (“DRI”), and Drone America were selected to receive a “Knowledge Fund” grant for the use of UAVs in cloud seeding activities.

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29. On August 31, 2015, Fleitz sent an email to Steve Hill of the Nevada Governor's Office of Economic Development, with a copy to Fleitz's own personal email address, asking whether Mr. Hill was "in town this week and available for a meeting? Lunch at Triple George?"

30. Also on August 31, 2015, Fleitz also sent an email to "JB@accessgroupofmiami.com" and "jamie@fritzmartin.com" with the subject line: "Talk to you guys tonight," and a smile emoticon as the body text. The recipients of this email included business consultant J.B. Bernstein, along with the president of a marketing agency.

31. On September 1, 2015, Fleitz, Frechette, and Futrell all submitted their letters of resignation, effective as of September 2, 2015. Fallico submitted a two weeks' notice on the same date.

32. On or about September 1, 2015, multiple external storage devices were inserted into Fleitz and or his co-conspirators' company-issued laptops.

33. On September 2, 2015, UIC employees arrived at Arrowdata's office to find that Fleitz, Frechette, and Futrell had left the company.

34. UIC recovered, *inter alia*, Fleitz, Frechette, and Futrell's company-issued laptops, as well as a company-issued external hard drive. Forensic data analysis revealed that Fleitz and his co-conspirators deleted a substantial number of files from this external hard drive including, *inter alia*, presentations, business development information, business plans, financial information, management incentive plans, Outlook files, and telephone lists.

35. Forensic data analysis also revealed Fleitz and/or his co-conspirators deleted files from both of Frechette's company-issued laptops including, *inter alia*, management incentive plans, organizational charts, press releases, business plans, and financial information.

36. Upon information and belief, Fleitz and/or his co-conspirators downloaded the aforementioned electronic files onto personal storage devices before deleting them from Arrowdata devices and leaving the company.

37. Fleitz and/or his co-conspirators registered the domain name "avisight.com" on September 2, 2015. Frechette's wife registered the domain name "avisight.net" on September 2, 2015.

38. On September 10, 2015, Fleitz and/or his co-conspirators incorporated Avisight as a Nevada limited liability company.

39. On or about September 11, 2015, William O'Donnell submitted his two weeks' notice. On or about September 13, 2015, O'Donnell registered the domain name "avisight-live.com," even though he was still an employee of Arrowdata. O'Donnell's last day of employment at Arrowdata was September 17, 2015. Less than a day after receiving a demand letter from Plaintiffs which noted these facts, O'Donnell took steps to conceal his registration of "avisight-live.com" by transferring the domain registration to a proxy service.

40. On September 17, 2015, Steve Hill of the Nevada Governor's Office of Economic Development issued a memorandum stating that the "Knowledge Fund"

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cloud-seeding grant that had previously been assigned to Arrowdata was now approved for “DRI, Drone America, and Avisight.”

41. On September 25, 2015, Jason Daub submitted his letter of resignation, effective as of the same date. In his position at Arrowdata, Daub had access to raw video footage and other intellectual property belonging to Arrowdata.

42. Upon information and belief, Fleitz and the other Defendants improperly induced Daub to leave Arrowdata.

43. Upon information and belief, Daub has failed to return copies of Arrowdata’s confidential and proprietary information and intellectual property including, *inter alia*, raw video footage and edited video.

44. Upon information and belief, these materials have been used in marketing and promotional materials for Avisight.

45. According to Avisight’s corporate filings, Fleitz and Frechette are both managers for the company. Futrell, O’Donnell, and Fallico identify themselves as employees of Avisight. Upon information and belief, Daub is also currently employed by Avisight.

46. Avisight operates in the same line of business as Arrowdata, and is in direct competition with Arrowdata.

47. According to its website, avisight.com, “AviSight uses advanced sUAS systems, manned platforms and sensor/camera packages to ensure real-time HD video and data delivery to customers.”

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48. Upon information and belief, Fleitz and his co-conspirators used, and continue to use, Plaintiffs' confidential and proprietary information, intellectual property and trade secrets to seek and obtain contracts for Avisight, including contracts from Arrowdata's clients and prospective clients, and to run Avisight's day-to-day business affairs.

COUNT I

BREACH OF CONTRACT

49. Plaintiffs incorporate by reference all preceding paragraphs.

50. Fleitz and his co-conspirators all executed Nondisclosure and Nonsolicitation Agreements and Patent, Copyright, and Proprietary Data Agreements (hereinafter "Agreements") with UICGS, then called "UIC Technical Services, LLC," when they were hired as employees of the company. The Agreements apply to UICGS and all of its subsidiaries, including Arrowdata. True and correct copies of the Agreements are attached as Exhibits A-L to Plaintiff's Motion for Temporary Restraining Order and Preliminary Injunction filed herewith.

51. The Agreements prohibit unauthorized disclosure of any and all sensitive and proprietary information during and after employment with the company. The Agreements also explicitly provide that for a period of twelve (12) months after separation of employment, "I will not for myself, or in conjunction with any other person ... directly or indirectly: (1) solicit, market or propose to provide services to any customer/client or to cause any customer/client to cancel, terminate, or modify any

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business relationship with the Company ... or (2) solicit or cause any employee of the Company to terminate or modify his or her employment with the Company.”

52. Fleitz and his co-conspirators’ actions constitute a material breach of the Agreements, damaging Plaintiffs in an amount to be proven at trial.

53. Pursuant to the Agreements, Plaintiffs are further entitled to injunctive relief, court costs, and reasonable actual attorney’s fees incurred in this action.

COUNT II

MISAPPROPRIATION OF TRADE SECRETS

54. Plaintiffs incorporate by reference all preceding paragraphs.

55. The confidential and proprietary information, intellectual property, and trade secrets taken from Arrowdata by Fleitz and his co-conspirators immediately prior to their departure from Arrowdata are trade secrets within the meaning of AS 45.50.910, *et seq.*

56. Fleitz and his co-conspirators’ actions constitute willful and malicious misappropriation of Plaintiffs’ trade secrets, damaging Plaintiffs in an amount to be proven at trial.

57. Plaintiffs are further entitled to exemplary damages pursuant to AS 45.50.915, and to injunctive relief to halt Defendants’ actions.

COUNT III

INTENTIONAL INTERFERENCE WITH CHATTELS

58. Plaintiffs incorporate by reference all preceding paragraphs.

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59. The actions of Fleitz and his co-conspirators constitute wrongful and malicious trespass and conversion of Plaintiffs' intellectual and tangible physical property, damaging Plaintiffs in an amount to be proven at trial.

60. Plaintiffs are further entitled to injunctive relief for the return of all of Plaintiffs' property currently in the possession of Defendants, and for the prevention of the use of Plaintiffs' property in any competing enterprise.

COUNT IV

INTERFERENCE WITH CONTRACT AND PROSPECTIVE ECONOMIC ADVANTAGE

61. Plaintiffs incorporate by reference all preceding paragraphs.

62. Arrowdata held existing and/or prospective business relationships, contracts, and/or grants with clients and potential clients, including but not limited to Twitter, Genting World Resorts, Marigold Mine, the Las Vegas Metro Police Department, and the Nevada Governor's Office of Economic Development.

63. Arrowdata also held existing and/or business relationships with consultants and/or investors including but not limited to Mark Brennan.

64. Defendants intentionally and unjustifiably interfered with and/or misappropriated these business relationships, contracts, and/or grants, damaging Plaintiffs in an amount to be proven at trial.

65. Defendants wrongfully induced other Arrowdata employees to leave the company, damaging Plaintiffs in an amount to be proven at trial.

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COUNT V

BREACH OF FIDUCIARY DUTY

66. Plaintiffs incorporate by reference all preceding paragraphs.

67. As employees, Fleitz, Frechette, Futrell, O'Donnell, and Daub owed fiduciary duties to act in the best interests of Arrowdata and its parent companies, UICGS and UIC. Fallico likewise owed fiduciary duties to act in the best interests of UICGS and UIC.

68. Fleitz, Frechette, Futrell, Fallico, O'Donnell, and Daub breached their fiduciary duties to Plaintiffs through their above-described actions and inactions, including *inter alia* the gross mismanagement of Arrowdata's business affairs, acceptance of personal kickbacks from clients in lieu of payment, failure to perform assigned duties, wrongful theft and deletion of Plaintiffs' confidential and proprietary information, intellectual property, and trade secrets upon departure, interference with contract and prospective economic advantage, and direct competition with the company, damaging Plaintiffs in an amount to be proven at trial.

COUNT VI

UNFAIR AND DECEPTIVE TRADE PRACTICES

69. Plaintiffs incorporate by reference all preceding paragraphs.

70. Defendants' actions constitute unfair and deceptive trade practices in the conduct of trade or commerce within the meaning of AS 45.50.471(a), damaging plaintiffs in an amount to be proven at trial, and further entitling plaintiffs to injunctive relief, treble damages, and actual attorney's fees in this action.

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COUNT VII

CIVIL CONSPIRACY

71. Plaintiffs incorporate by reference all preceding paragraphs.

72. Defendants formed a conspiracy to wrongfully misappropriate Arrowdata's confidential and proprietary information, intellectual property, and trade secrets to establish a competing enterprise, took actions in furtherance of this conspiracy, and further agreed to and did take steps to conceal the conspiracy and their role therein.

73. Defendants each committed unlawful acts in furtherance of this conspiracy as set forth herein, damaging Plaintiffs in an amount to be proven at trial.

PRAYER FOR RELIEF

1. For an award of monetary damages in an amount to be proven at trial, in excess of the \$100,000 jurisdictional limit of this Court;

2. For a temporary and permanent injunction ordering Defendants to return any and all of Plaintiffs' confidential and proprietary information, intellectual property, and trade secrets belonging to Plaintiffs, and ordering Defendants from in any way utilizing said property in misappropriating Plaintiffs' existing and/or prospective business relationships;

3. For an award of exemplary damages pursuant to AS 45.50.915;

4. For an award of treble damages pursuant to AS 45.50.531;

5. For an award of punitive damages;

6. For an award of restitution, forfeiture, and/or disgorgement damages;

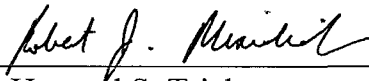
7. For an award of attorney's fees and costs;

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8. For an award of pre-judgment and post-judgment interest;
9. For such other relief as authorized by law;
10. For such other and further relief as this Court may deem appropriate and just.

DATED at Anchorage, Alaska this 30th day of October, 2015.

HOLLAND & KNIGHT LLP
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